INCOMING TELEGRAM Department of State

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FROM: Addis Ababa

TO: Secretary of State

NO: 184, October 7, 10 a.m.

ACTION DEPARTMENT 184, INFORMATION ASMARA ~~UNNUMBERED~~.

We believe US withdrawal from Volta River project (DEPCIRTEL 644) would produce ambivalent reactions in Ethiopia.

On one hand there is no widespread love for Nkrumah here. There is some feeling other African countries already receiving disproportionate share US aid and US withdrawal from expensive Volta project might make additional funds available for others including Ethiopia. Among few conservatives step might be welcomed as sign US getting tougher on neutrals. Finally, Ghana is remote and cancellation of project would probably have less impact than similar step in nearer country.

On balance, however, we believe these attitudes would be outweighed by negative reactions and US withdrawal at this stage would have adverse affect US image here. Although not greatly admired, Nkrumah is regarded a symbol of awakening Africa by many and US slap at him would be resented accordingly. Moreover withdrawal would be widely considered attempt by great power (US) dictate policy to small weak nation, something which would be deeply resented by all politically-conscious Ethiopians. Such move would also call into question reliability of assumed US promises and could thus prejudice our future dealings with IEG, as for example with respect to aerial survey agreement now under negotiation.

/Finally

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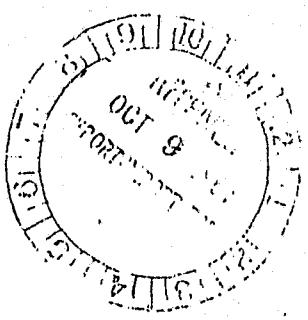
Finally, Ethiopian response would be conditioned by that of Afro-Asians generally. If general reaction negative, as likely, Ethiopia would undoubtedly join chorus.

RICHARDS

MLJ



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